H&M TERMINAL TRANSPORT, INC.

DEPT. OF TRANSPORTATION
DOCKET SECTION
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March 12, 1999

Docket Clerk, U. S. DOT Dockets
Room PL 401
400 Seventh Street, S. W.
Washington, D. C. 20590-0001

RE: Docket #FHWA-98-3656-8 RIN 2125-AE-40

Gentlemen:

The real dilemma of interchanging intermodal trailers and container/chassis is that it is a three-way transaction resulting in the motor carrier becoming the victim. The three parties are; (1) The Steamship Companies and Railroad Companies (or Principals) who are the owner or leasor of the equipment, (2) The contracted Terminal Operators who are given the care, custody and control of the equipment, and (3) The Motor Carrier victim.

The Principals do not actually do their own tracking, repairs or maintenance of their trailer and container/chassis equipment. They have good intentions to interchange proper equipment but they leave this matter in the hands of the middlemen Terminal Operators. Their Maintenance and Repair Department consist of the Maintenance Manager and his secretary.

The arrangements between the Principals and the Terminal Operators are structured in two phases. Phase one is the unloading from and/or loading to the vessels or train cars. In ocean terminals this is called Marine Operations. In railroad terminals this is called Lift Operations. In either case this is contracted on a production sliding scale based on lifts per gang hour at ocean terminals and lifts per man-hour at railroad terminals. The good intentions are that the lift operations will put the containers on only good chassis in roadable condition, ready to go out the gate. In some cases the Principals do not supply enough good chassis to work the linehaul vessel or train. In the other cases the ILA Union or Railroad Union switcher drivers, under minimal management supervision, find it easier at 2AM to rip off the Out of Service tag of a chassis close at hand rather than search through a 200 acre terminal to find a good chassis. In either event there is no penalty requirement for the Terminal Operator to correct these errors at his own expense.

700 Belleville Turnpike, Kearny, NJ 07032 . Tel 201-997-4400 . Fax: 201-991-4538

To correct these errors requires a "Mounting Detail" consisting of a Checker, Machine Operator, and two or three Switcher Drivers for which the Terminal Operator wants to bill the Principal. This is not acceptable to the Principal so this becomes a deadly serious game of "Gotcha" played against the Motor Carrier.

Phase two is the "Terminal Services" which is usually a flat fee per container delivered or received through the gates. This flat fee covers the clerical labor and overhead required to document the Motor Carrier in and out the gates. Any labor or parts spent for repairs including roadability repairs are charged to the Principal.

The third member of this triumvirate is the Motor Carrier. Most of us in the intermodal trucking business use Owner Operator/Contractors. The overwhelming majority of these Owner Operators are Third World immigrants. Some are first generation U. S. citizens but most are still on Green Card work permits. They were raised in cultures that demanded strict obedience and respect of authority figures. The ILA and Railroad Clerks take great joy in playing the part of the authority figure whether they have any real authority or not. Our drivers are browbeaten and intimidated to take the equipment as is. If he does stand his ground he knows he is in for a three to four hour delay for repairs or a chassis change. Since he is paid a percentage of the revenue he is not being compensated for these delays. The Principal may have to pay the cost of the repairs ultimately but at least he is saving the cost of the terminal switchers because we the Motor Carrier has been coerced into doing that part of the chassis change for them. On their up side the Principal stands a very good chance of intimidating or frustrating the Owner Operator into going out the gate without the repairs being done and then sticking the Motor Carrier for the repairs when the equipment is returned.

You have requested comments on fourteen questions and on some you are requesting statistical data. H & M is one of the larger trucking companies in the Ports of New York, NY, Philadelphia, PA, Jacksonville, FL, Miami, FL, and Los Angeles/Long Beach, CA and even we cannot afford a statistician to maintain this kind of data. Our Kearny, NJ terminal alone is handling from 200 to 250 intermodal moves per day and maintaining the statistics you asked for would be an overwhelming job. Thus our responses are based on experiential estimates. Here goes:

1. Question-What is the out-of-service (OOS) rate for intermodal container/chassis or trailer? Virtually 99% of those examined at roadside stops. Other than new chassis just un-stacked coming in from the manufacturer they all have a violation of some kind.

1(a). Question-What percentage of OOS orders are issued within 24 hours after the motor carrier takes possession of the intermodal equipment? Virtually 99% of the orders are issued within 15 minutes after the Motor Carrier takes possession. The law enforcement industry is well aware that intermodal Equipment is easy pickings to fatten their violations and fines coffers. There are only three streets in or out of the Port Elizabeth/Port Newark Complex and they set up on all three at the same time. Similarly they set up on the Manhattan Avenue cloverleaf to catch Croxton Railyard traffic and on Fish House Road to catch Conrail South Kearny and American President Lines traffic. In any event over 95% of the intermodal moves from East Coast ocean and rail terminals deliver or pick up at the ultimate customer within 100 miles of the terminal. The equipment is usually out to the customer and returned within 36 hours.

2. Question-What is the violation rate for intermodal container/chassis or trailers inspected at roadside? Our estimate would be an average of three violations per roadside stop. Number one would be "brakes out of adjustment" which is almost guaranteed for each stop. This is followed closely by "tires with flat spots"," lights inoperable", and "brake drums cracked"

3. Question-Why does the Uniform Intermodal Interchange and Facilities Access Agreement disavow all responsibility for the fitness of intermodal equipment? Because in 1970/71 when the original Agreement was "negotiated" the U. S. Railroad Industry dictated what they wanted to the Truckers and Steamship Companies and announced that this was the only Agreement they could live with and if they didn't get it they would embargo containerized freight.

7. Question-What are the obstacles to providing drivers with the opportunity to perform a walk-around inspection of container/chassis and trailers? Our drivers perform the walk-around inspection as best they can under the circumstances. These ocean and rail terminals hold upward of 3000 units parked 18 inches apart. It is impossible to inspect the unit while parked in the slots. The driver must pull the unit out into the aisle and do the inspection while blocking traffic and taking abuse from his fellow drivers who want to get by. In addition please note checking and adjusting brakes is a two-man operation. One in the tractor operating the brake pedal and the other back at the tandem measuring the stroke of the rod and turning the adjustment nut with a wrench. Checking the condition of tires, particularly for flat spots, is also a two-man operation, one to drive the unit slowly forward and the other to observe the condition of the tires.

Question # 13 continued.

cords. This could happen to a chassis inspected the previous week. "Lights inoperable" is a problem that can happen minute by minute. Our drivers are required to carry a supply of bulbs, lenses, rings and a wiring kit with them at all times . If the walk-around reveals light problems they repair them on the spot if possible. However a few good potholes on the half mile between the terminal and the roadside inspection can knock out a few running lights. Our more experienced drivers just routinely replace every light bulb while doing the walk-around. Lights inoperable could also happen to a chassis that had just been inspected the day before. It is our opinion that light problems that can be fixed on the spot during roadside inspections should not even be cited. "Cracked brake drums" are caused by hard braking of 80,000 lb. loads in sub freezing weather. The braking causes an amazing amount of heat to be generated which is absorbed by the cast steel drums. Immediately after the braking the wheels return to accumulating snow and ice from the road surface. A few hundred miles of this alternate heating and cooling will cause the cast steel brake drum to crack. This too could happen to a chassis just inspected the week before.

14. Question-What has the private sector done to resolve the problem of maintenance of intermodal container/chassis and trailers? The Principals have done very little. Your suggestion of a "maintenance consortium" does not address the problem. It is not for lack of organization, facilities, or mechanic labor that causes them to duck this problem. It is purely an effort to avoid paying the cost of it. The Principals should have every chassis or trailer inspected and repaired before each use. They should not start the cycle of loading inbound containers on chassis that have not been inspected, repaired, and certified to be in roadable condition. To do this will require a regular staff of switcher drivers bringing the chassis to the shop and putting them back when finished. They will also have to absorb the cost of some repairs they presently slide off to Trucking Companies.

Some of the cost the Principals do willingly spend is to set the Trucking Company up for a bill. As a case on point we enclose documentation on container INKU 2826863 mounted on chassis TAXZ 142364. The Principal in this case was Cho Yang Shipping Company, Ltd. H & M picked this up from Global Marine Terminal, Jersey City, NJ on 10/21/98. Please note that the EIR does not mention any damage to the tires. We hauled it 13.5 miles to Republic Cargo Services, Kearny, NJ, which is next door to our terminal. On 10/29/98 we returned the empty to Global. Please note that the EIR indicates flat spot (FS) on the Left Front Inside (LFI) position and another one (FS) on the Left Rear Outside (LRO) position. Next attached is the invoice for $250.00 to replace the two flat spotted tires.

There is absolutely no way you can drag a chassis or trailer to cause flat spots on one tire on the front axle and one tire on the rear axle. You may lock up the dual on one side of an axle and thus flat those two tires. You may lock up the whole axle and flat spot those four tires. You may even lock up the entire tandem and flat spot all eight tires. But one on one axle and one on the other is an impossibility. No doubt Global Marine Terminal had two flat spotted tires on hand that they were responsible for. They should have had to eat the bill from Cho Yang for the two tires. It is our contention that Global mechanics deliberately mounted these two tires in the LFI and LRO positions in order to stick H & M for the bill. H & M's revenue on this move was $225.00. The Owner/Operator got 70% or $157.50 of that. We charged him back for the $250.00 bill from Cho Yang because he did not catch and correct the two flat spotted tires before leaving Global. This poor guy paid $92.50 for the privilege of hauling this load.

It is H & M's position that the Steamship Companies and Railroad Companies that own or lease this equipment must be held totally liable for the cost of any violations found at US DOT roadside exams. Then and only then will they be forced to perform the inspections and repairs of the chassis before mounting them with containers for delivery out of the terminal. Furthermore the Trucking Company should not sustain a notation on their safety record for these violations. If you desire further comment or explanation of our comments we will be most happy to oblige.

Sincerely

Edward Bridges
Vice President
National Accounts

Cc: S. Cunninghame, Executive Director, NJMTA
R. Jones, Executive Director, BSHCC
C. Connors
A. Iannelli
R. Cznadel
D. Duffy

OUT

CHU

GLOBAL

EMPTY ☐
LOAD ☑

1107540

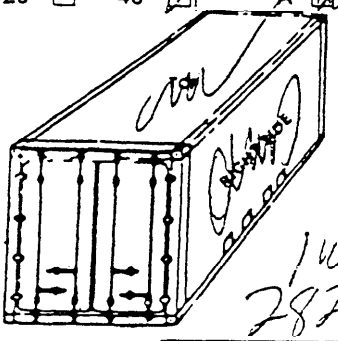
B-BRUISE	D-DENT	HG- HANDING
BA-BALD	DD- DEBRIS/ DUNNAGE	L- LABELS/DEC
BR-BROKEN		M-MISSING

BT-BENT	F-FLAT	P-PEEL
C-CUT	FS-FLAT SPOT	RF-RUN FLAT
CC-CUT CORD	H-HOLE	SC-SURF CUT

INDICATE LOCATION OF OAMAGE ON DIAGRAM AND MARK CHECK LIST.

GOOD ☐ DAMAGED ☑

20' ☐ 40' ☑ A ☑ B ☐ C ☐

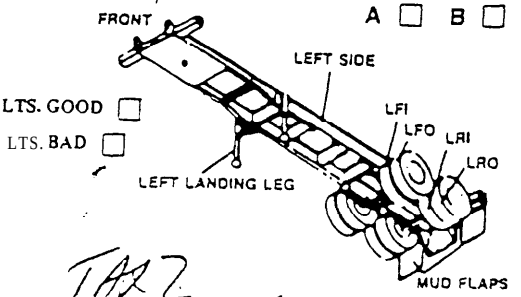


IWKU 2876813

EQUIP. NO.

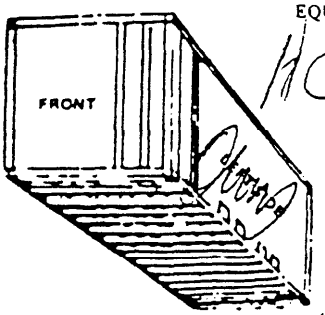
GOOD ☑ DAMAGED ☐

A ☐ B ☐ C ☑



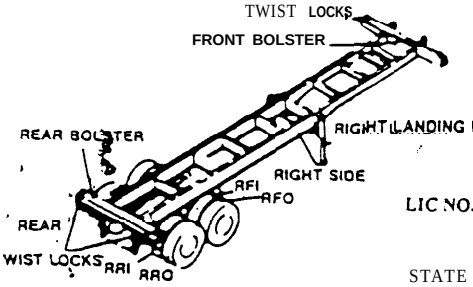
TAZU 142364

EQUIP. NO.



HC

LFI	RFI
LFO	RFO
LRI	RRI
LRO	RRO



LIC NO. _____

STATE _____

THIS EQUIPMENT INTERCHANGED IN GOOD CONDITION EXCEPT AS NOTED

TRUCK DRIVERS' SIGNATURE _____ GLOBAL _____

DATE 10/21

MOTOR CARRIER

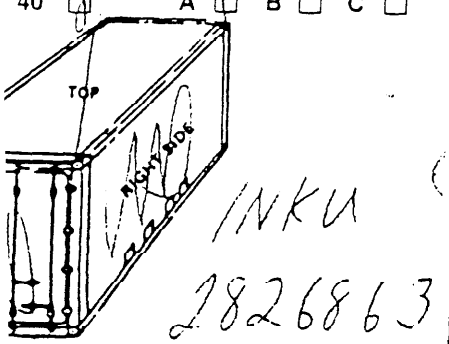
GLOBAL

EMPTY ☒ 960457
LOAD ☐

UISE	D-DENT	HG- HANDING	BT-BENT	F-FLAT	P-PEEL	INDICATE LOCATION OF DAMAGE ON DIAGRAM AND MARK CHECK LIST.
ALD	DD- DEBRIS/ DUNNAGE	L- LABELS/DEC	C-CUT	FS-FLAT SPOT	RF-RUN FLAT	
ROKEN		M-MISSING	CC-CUT CORD	H-HOLE,	SC-SURF CUT	

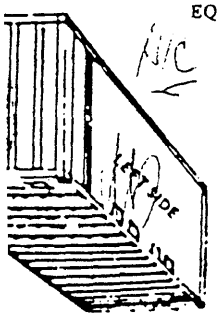
DAMAGED ☒

40' ☐ A ☐ B ☐ C ☐



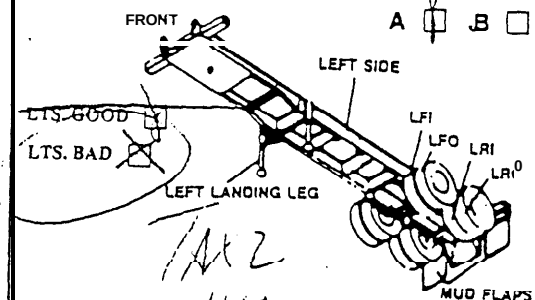
INKU
2826863

EQ UIP. NO.



GOOD ☐ DAMAGED ☒

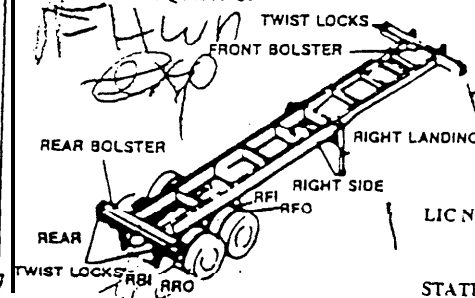
A ☒ B ☐ C ☐



TAX
142364

EQUIP. NO.

LFI	RFI
LFO	RFO
LRI	RRI
LRO	RRO



LIC NO. 16/9131

STATE NJ

JIPMENT INTERCHANGED IN GOOD CONDITION EXCEPT AS NOTED

RS' SIGNATURE _____ GLOBAL _____

DATE 10/29/08

M & R INBOUND
MAINTENANCE REPAIRED

CHO YANG SHIPPING CO., LTD.

Cho Yang (America), Inc. as U. S. General Agent

INCHCAPE SHIPPING SERVICES
1000 NORTH FLEET STREET
PORT ELIZABETH, NJ 07201

INVOICE TO: HMG005
H & M INT'L TRANSPORTATION

P G BOX 2513
SECAUCUS, NJ 07094-9998

Al-i-N:

INVOICE #: PRELEZ38734

INVOICE DATE: December 01, 1933

THIS INVOICE IS DUE AND PAYABLE UPON RECEIPT

EQUIP/UNIT : TAKZ142364	BOOKING#:
B/L# :	VESL/VOYG: 1298
CUST REF :	EA# :

DESCRIPTION Of CHARGES: MRCS - M&R - CHASSIS

GUARANTEED BY: DATE :

DESCRIPTION O F CHARGES:
REPLACE (2) FLATSPOTTED TIRES (LFI) VENDOR # = BATCH = 250.00

APPROVAL 2/11/99

Container #INKU 282686-3
RCS 43062/2128972

CRG #	G/L #	AMOUNT
901	660-01	250.00

DEC 1998 RECEIVED

PLEASE ATTACH COPY OF INVOICE TO YOUR REMITTANCE

	AMOUNT
TOTAL DUE>>>	$250.00 USD

PLEASE REMIT TO:
CHO YANG SHIPPING CO., LTD.
113 N ROYAL STREET
MOBILE, AL 36602

QUESTIONS OR INQUIRIES?
PLEASE CONTACT:
BRENDA VINES
334-405-6527

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